

## Message Text

UNCLASSIFIED

PAGE 01 CARACA 00029 031319Z

47

ACTION ARA-10

INFO OCT-01 AF-06 EUR-12 EA-09 NEA-10 ISO-00 ERDA-07

AID-05 CEA-01 CIAE-00 CIEP-02 COME-00 DODE-00 EB-07

FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01

PM-04 USIA-15 SAM-01 OES-05 SP-02 SS-15 STR-04

TRSE-00 PRS-01 PA-02 FTC-01 JUSE-00 /144 W

----- 098670

P R 022038Z JAN 76

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC PRIORITY 1414

INFO AMEMBASSY ALGIERS

AMCONSUL DHAHRAN

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY MEXICO

AMEMBASSY PORT OF SPAIN

AMEMBASSY QUITO

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

USMISSION OECD PARIS

UNCLAS CARACAS 0029

E.O. 11652: N/A

TAGS: ENRG VE

SUBJECT: PRESIDENT PEREZ HAILS VENEZUELA'S PETROLEUM  
NATIONALIZATION

1. BEGIN SUMMARY. IN A SOBER, RESTRAINED SPEECH, PRESIDENT  
PEREZ HAILED THE JANUARY 1 NATIONALIZATION OF THE VENEZUELAN  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 CARACA 00029 031319Z

PETROLEUM INDUSTRY, EMPHASIZING THE COUNTRY'S NEW AND

HEAVY RESPONSIBILITIES UNDER NATIONALIZATION. PEREZ DESCRIBED THE TECHNICAL SERVICE AND MARKETING CONTRACTS WITH THE FOREIGN OIL COMPANIES AND EMPHASIZED VENEZUELA'S SOLIDARITY WITH OPEC. A GOOD PART OF THE SPEECH WAS DEVOTED TO THE GOV'S AMBITIOUS DEVELOPMENT PLANS AND THE FOR COMMON EFFORTS TO END "DEPENDENCY AND ACHIEVE ECONOMIC LIBERATION." END SUMMARY.

2. EMPHASIZING THE RISKS AND HEAVY RESPONSIBILITIES DEVOLVING ON VENEZUELA WITH THE NATIONALIZATION OF ITS PETROLEUM INDUSTRY, ON JANUARY 1 PRESIDENT CARLOS ANDRES PEREZ AFFIRMED VENEZUELA'S ASSUMPTION OF CONTROL OF THE INDUSTRY IN A LENGTHY SPEECH DELIVERED AT CABIMAS NEAR LAKE MARACAIBO IN THE STATE OF ZULIA AND TRANSMITTED ABROAD BY SATELLITE. DECLARING THAT " WE HAVE NOT ACCOMPLISHED AN HEROIC ACT" BUT RATHER "AN HISTORIC ACT OF RESPONSIBILITY AND NATIONAL DIGNITY," PEREZ SAID THAT "PETROLEUM

IS NOT A WEAPON OF MENACE OR DESTRUCTION," AND THAT VENEZUELA WILL IN THE FUTURE ACT "WITH THE SAME SERIOUSNESS AND DELIBERATION WHICH CHARACTERIZED THE PROCESS OF NATIONALIZATION OF IRON ORE AND PETROLEUM." PEREZ ALSO PLEDGED VENEZUELA'S SOLIDARITY WITH THE THIRD WORLD AND OPEC.

3. PEREZ STATED THE GOV HAS DECIDED "TO MAINTAIN TECHNICAL AND MARKETING RELATIONS WITH THE INTERNATIONAL OIL COMPANIES DURING THE TRANSITION PERIOD. TWO TYPES OF AGREEMENTS HAVE BEEN MADE, WHICH WILL ASSURE US TECHNICAL SUPPORT AND THE MARKETING OF A SATISFACTORY VOLUME OF OUR PETROLEUM EXPORTS." PEREZ DESCRIBED THE TECHNICAL SERVICES AGREEMENTS, WHICH HE SAID ARE FOR TWO YEARS RENEWABLE FOR TWO MORE, AS ENTITLING VENEZUELA TO USE THE PATENTS AND LICENSES FOR THE PROCESSES AND DESIGNS OF THE INSTALLATIONS OF THE FORMER CONCESSIONARIES, TO OBTAIN FROM THEM TECHNICAL ADVICE ON DAY-TO-DAY OPERATIONS TO RECEIVE HELP FROM THEM IN PURCHASING EQUIPMENT AND TRAINING VENEZUELAN TECHNICIANS ABROAD AS WELL AS OBTAINING INFORMATION ABOUT NEW TECHNOLOGICAL PROCESSES, MANAGEMENT AND PLANNING TECHNIQUES AND COMPUTER PROGRAMS. PEREZ SAID THE MARKETING CONTRACTS "RESPOND TO VENEZUELA'S FIRM INTENTION TO MAINTAIN PRICES AT LEVELS REACHED BY OPEC....THIS POSITION HAS FORCED A SACRIFICE IN THE VOLUME OF OIL WHICH COULD BE PLACED ON THE MARKET....IT IS MORE IMPORTANT THAT PRICES REMAIN FIRM THAN THAT WE SELL MORE BARRELS

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 CARACA 00029 031319Z

BY YIELDING TO PRESSURES FROM THE COMPANIES WITH A DANGEROUS WEAKENING OF OPEC." PEREZ SAID THAT THE PRICES SET BY THE MARKETING CONTRACTS WILL BE REVIEWED EVERY THREE MONTHS. UNDER THEM, HE SAID, VENEZUELA WILL SELL OVER 1.5 MILLION B/D IN THE FIRST QUARTER OF 1976, AND RESERVES THE OPTION TO WITHHOLD PROGRESSIVELY A PERCENTAGE OF THE OIL UNDER CONTRACT FOR DIRECT SALE. PEREZ SAID THAT IN JANUARY PETROVEN REPRESENTATIVES AND CABINET MINISTERS WILL TRAVEL TO LATIN AND NORTH

AMERICA, EUROPE AND JAPAN TO OPEN NEW MARKETS.

4. PEREZ ALSO DECLARED THAT "BOTH THE INDUSTRIALIZED COUNTRIES AS WELL AS THE TRANSNATIONAL COMPANIES KNOW THAT VENEZUELA, OPEN TO DIALOGUE AND READY TO FULFILL ITS OBLIGATIONS AND TO MAINTAIN INTERNATIONAL SOLIDARITY, WILL NOT FAIL IN ITS DUTY TO DEFEND THE NATIONAL INTEREST AT ANY COST....OUR CLIENTS AND THE COMPANIES WHICH HAVE SIGNED TECHNICAL SERVICES AND MARKETING CONTRACTS ALSO KNOW THAT WE WILL NOT COMPROMISE THE INDEPENDENCE OF OUR NATIONAL PETROLEUM POLICY AND THAT VENEZUELA WILL KEEP ITS FULL FREEDOM TO CHOOSE THE MARKETS AND SEEK THE TECHNICAL ASSISTANCE WHICH ARE BEST FOR THE COUNTRY'S INTEREST...."

5. COMMENT. PRESIDENT PEREZ'S SPEECH WAS GENERALLY STATESMAN-LIKE, WITHOUT EXCESSIVE RHETORICAL FLOURISHES AND DEVOID OF TRUCULENCE AGAINST EITHER THE US AND OTHER INDUSTRIALIZED COUNTRIES OR THE INTERNATIONAL OIL COMPANIES. HIS JUBILATION OVER NATIONALIZATION WAS RESTRAINED BY EMPHASIS OF THE NEW AND GREAT RESPONSIBILITIES VENEZUELA HAS NOW UNDERTAKEN.  
SHLAUDEMAN

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, NATIONALIZATION, SPEECHES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 02 JAN 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976CARACA00029  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760002-0088  
**From:** CARACAS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760191/aaaadckg.tel  
**Line Count:** 136  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** castelsl  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 16 JUL 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <16 JUL 2004 by barnescd>; APPROVED <12 AUG 2004 by castelsl>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PRESIDENT PEREZ HAILS VENEZUELA'S PETROLEUM NATIONALIZATION  
**TAGS:** ENRG, VE, (PEREZ, CARLOS ANDRES)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006